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ADDRESS OF

Hon. W. Mont Ferry

Managing Director Silver King Coalition Mines Co.
Salt Lake City, Utah

BEFORE THE

FIFTEENTH ANNUAL CONVENTION
OF THE
UTAH BANKERS ASSOCIATION

June 15th and 16th, 1923

AT LOGAN, UTAH

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ADDRESS:
"Utah—Its Mineral Wealth"

MR. W. MONT FERRY (Managing Director, Silver King Coalition Mines Company, Salt Lake City): Mr. President, Members of the Association and Friends: I am indebted to the members of the program committee of this organization for your very cordial invitation to appear here this afternoon, and I express my appreciation on behalf of those of us who are digging in the ground trying to develop the many Utah mineral resources. In attempting to prepare something in the way of an address for this occasion the principal thought which has continually come to me has been how inadequate any words of mine would be to express properly even an appreciation of the tremendous things we have here in Utah which are fundamental to civilization, because we know that history shows that no country ever reached and maintained greatness unless it either had within its borders or command the metals of the world. When I say "greatness" I mean "eminence." That has been true from King Solomon's time to the time of the Great War; it is true today. The only solvent nations in the world are those which command the metals. America, Britain, the South American countries, the Scandinavian

countries and Holland are, I believe, the only solvent nations in the world today, measured by the standards of banking. Holland controls vast mineral resources. So that all of them, with the exception of the Scandinavian countries, command or have within their borders tremendous mineral resources; and Scandinavia drained Central Europe of her gold and silver, her copper and lead, during the Great War.

At the conclusion of the short paper which I shall read you, I hope you will, if you are interested, ask me some questions, which I shall be more than pleased to answer if I can. Some things about Utah's mineral resources I know; many things I do not know. Some things I am trying to find out.

Utah is essentially a mineral producing state. Mining is the very heart of our industrial life. Upon the natural products dug from the ground depend the welfare and prosperity of a major part of our population.

Agriculture, that basic industry, with its allied activities such as canning; live stock raising, including wool, hides and dairying; the great beet sugar factories; the splendid transportation system, steam and electric, which serves our business and pleasure, these indeed are all splendid evidences of the vigorous life of our state. Those who are responsible for the orderly development of these great industries deserve and have our admiration and gratitude.

But it is not of these that I speak today. I direct your attention to the mineral wealth of Utah. Note what it has produced in the past; observe what it is doing now; and visualize, if you will, what it is destined to accomplish in the unfolding years which are for our posterity. No equal area on this old world has the diversified mineral resources found within the confines of the State of Utah. There are 210 different minerals found here. Every mineral useful in commerce and arts, excepting only tin, lies hidden in our rock-ribbed hills, concealed in the barren deserts, or contained in the waters of our lakes and springs. The towering peaks are markers indicating to the initiated where may be found Nature's treasures, locked, it is true, within grim walls of rock, but ready to yield to the courage, industry and faith of a people who show they are worthy to possess. In respect to most of the useful and valuable minerals, some one state in the Union produces more than does Utah. But in respect to all the better known minerals Utah stands alone. Thus we have a diversity of mineral products that is nothing less than amazing.

The mineral industry of this great State may be likened to an ideal factory whose machinery is so cunningly devised

that it can turn out a number of different products. When world conditions are such that one product is unprofitable, it turns to another. If, perchance, no demand exists for the second product, then it makes a third. Silver, lead, copper, zinc, potash, asphalt, cement, salt and coal are our leading mineral products. From time to time depression exists in the market for one or more of these basic products, but never for long; and while civilization exists these countributions direct from Nature will be necessary for the welfare of mankind. Therefore, the business of mineral production and the industries connected with it are and will continue to be as staple and permanent as civilization itself.

In population this State is a speck on our national map; yet, feeble as we are in number, being only one half of one per cent of the population of the Union, we produce a substantial proportion of this country's production of the following named minerals:

Arsenic	33⅓%
Silver	20%
Lead	16⅔%
Copper	12½%
Potash	12½%
Asphalt	6%
Salt	2%
Zinc	2%

Since this State began producing minerals it has given to the world gold, silver, copper, lead and zinc to the value of $1,159,564,585.00,—a very respectable sum even in these days of large expenditures.

Fifty-nine metal mines of Utah have paid dividends amounting to almost exactly $250,000,000.00. To produce this profit there have been paid in wages, material and supplies not less than $600,000,000.00. There were 154 producing metal mines in this State last year, distributed among sixteen counties; and the value of their products of gold, silver, copper, lead and zinc was $40,425,199.00. These mines, and the reduction works connected with them, employed over 17,000 men, whose average wage at a low estimate was $4.00 a day, and who worked at least 300 days during the year. Thus it is evident that last year the metal industry paid out in wages over $20,000,000.00. For supplies and materials another huge sum was expended.

I do not wish to worry you with statistics, but to you men, who deal in figures and dollars as children play with blocks, I want to be convincing; and I am sure that accurate data respecting the mineral wealth of our State will not be

too tiresome. Let me assure you that the data presented herewith is ultra-conservative, being based entirely upon official records.

Do you know that more than 50 per cent of the tonnage of steam railroads of the United States is mineral tonnage? Do you know that in Utah 85 per cent of the total freight over steam railroads is mineral tonnage—50 per cent of this being from the metal mines and 50 per cent from the coal mines? The Interstate Commerce Commission declares such to be facts.

The State Industrial Commission of Utah furnishes official figures showing that in a normal year 22,019 men on an average are employed in the mineral industries in this State. The steam railroads of Utah employ an average of 10,531 men in train service. Since the mineral industry furnishes 85 per cent of the tonnage for these roads, it follows that 8,953 railroad men in Utah are directly dependent for employment on our mineral industry. Now, bring together these figures and note that the official records show that 30,971 men depend directly upon mining for employment.

If we take the ultra-conservative multiple of three to represent the members of the worker's family, we find that 92,913 persons in Utah rely upon the mining industry for livelihood. Apply, now, an everage daily wage of $4.00 for each of the 30,971 men as indicated above, and we observe that the daily pay roll amounts to $123,884.00, while the annual amount, on the basis of 300 working days, reaches the tremendous total of $37,165,200.00

The foregoing facts are impressive and significant, yet they do not tell the whole story. Nothing is said of the heavy tonnage of freight to the mining camps for the operating mines and for the merchants and other residents who live in these mining camps. Nothing is said of the expenditures made for the purchase of these supplies and material. These miners and railroad laborers produce neither foodstuff nor clothing. Mines and mining camps buy and bring in everything which goes into our modern life.

Realizing the full significance of the foregoing, it seems hardly necessary to point out the stern necessity for fullest co-operation and sympathy on the part of other industries of this State towards mining. Especially is this sympathetic co-operation necessary between mining and agriculture. The twin basic industries of the world, noncompetitive and producing direct from Nature, these two activities of mankind should cultivate mutual understanding.

I have called your attention to certain facts concerning silver, gold, copper, lead and zinc. While these metals form a very substantial part of our mineral resources, yet there is much other wealth which Dame Nature has provided for the sons of Utah who shall be found worthy.

The U. S. Geological Survey reports that the untouched coal measures of this State found in seventeen different counties are of sufficient magnitude to supply the United States for fifty years. About $130,000,000.00 worth of coal has already been mined, but the proportion taken out, compared to that which remains, is too insignificent for consideration.

In the eastern part of our State the group of hydrocarbon minerals exists in such vast quantity that their extent is measured by the hundreds of millions of tons. This resource awaits only the magic touch of capital and labor to materialize into coin of the realm.

Natural rock asphalt abounds here in commercial quantities and of excellent quality. Industries should be established to utilize this native resource, and we should exact tribute from others rather than continue to pay exorbitant prices for an inferior material from abroad.

What shall be said of our oil shale? Uintah Basin in eastern Utah contains oil-bearing shale which it is estimated can produce by distillation literally billions of barrels of shale oil and hundreds of millions of tons of ammonium sulphate.

Our iron resources are now attracting the attention of capital. One operation is now well under way which promises to develop into a large and important steel plant with all the ramifications incident to such an undertaking. There is enough iron ore in one county of our State to make Utah the steel center of western America.

The mineral oil resources of Utah are as yet undemonstrated, excepting perhaps the San Juan field, which has nearly, if not quite, reached the point of commercially profitable production. Other sections of our State demand and are receiving careful geological examination. A number of tests wells are now being driven by competent operators, and it is probable that Utah will be a substantial producer of mineral oil.

Having briefly commented on the contributions which the mineral wealth of our State has made to mankind in the past, and having noted how vital it is to the present welfare of this commonwealth, let us for a monment consider the future.

There is apparently a growing disposition among some law makers and a certain class of financiers to consider

mining a speculation of the wildest kind, in which unlucky fools lose their money and lucky fools make millions over night. There is discernible a tendency among unintelligent law makers to surround the industry with restrictive laws and to impose upon it the maximum of taxation. This tendency may be attributable to lack of information coupled with a desire to shift the burden of taxation from other industries which are represented by more numerous voting population. That the burden of taxation is heavy, no one will deny. But the proper method of lightening this load is to encourage the development of natural resources so that industries will multiply and assessable property will be increased, thus reducing the levy and at the same time increasing the total returns.

Some bankers regard all mining operations with suspicion and distrust. I agree that some so-called mining operations justify this attitude, but I urge you bankers to apply to mining operations the same rule of intelligence that you use in judging other enterprises.

When development of mineral wealth is undertaken by competent and honest men it is worthy of the financial support of the community. The business of mining has kept pace with other lines of business. Geological investigation by the Federal government, together with private investigation by skilled engineers, is the foundation upon which serious mining operations are based. With the knowledge that this work gives honest and trained men expend money to reach certain objectives. Courage, faith and hard work are essential to carry on; and money, of course, must be found to pay the bills. When a mining venture is based on the best scientific advice and on sound and intelligent management, such an operation should command the support, rather than the discouragement, of bankers as well as others who have at heart the welfare of this commonwealth.

While Utah will develop her agricultural and stock raising industry and will ship surplus products to distant points, yet a home market is by far the most profitable. That home market can be had by the development of the mineral wealth of the State, and that development can be accomplished by the intelligent co-operation of the miner, the farmer, the stock raiser and the manufacturer.

Working selfishly, no industry can attain its maximum importance. Working together, mutual helpfulness will be developed; problems will be solved that, viewed alone, seem hard and knotty; and, finally, thru the spirit of co-operation, the people of Utah will achieve their manifest destination.

(Applause.)

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